

SC430. SUBCHAPTER 430
PERFORMANCE MANAGEMENT
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SC430. SUBCHAPTER 430

PERFORMANCE MANAGEMENT

- References: (a) [DoD Directive 1400.25](#), "DoD Civilian Personnel Management System," November 25, 1996
- (b) Chapters 23, 43, 45, 53 and 71 of title 5, United States Code
- (c) Title 5, Code of Federal Regulations, Parts 430, 451, and 531
- (d) [DoD Directive 1440.1](#), "The DoD Civilian Equal Employment Opportunity Program," May 21, 1987

SC430.1. PURPOSE

This Subchapter implements DoD performance management policies under references (a) through (c); prescribes procedures, delegates authority, and assigns responsibility for performance management within the Department of Defense; and establishes the DoD Performance Appraisal System.

SC430.2. POLICY

It is DoD policy under reference (a) that the objective of performance management is to improve individual, team (where applicable), and organizational performance. An integral part of this objective is the establishment of management accountability for Equal Employment Opportunity (EEO) and Affirmative Employment Program (AEP) practices and principles. In achieving this objective, performance management programs shall:

SC430.2.1. Be designed to meet and integrate fully into organizational or mission goals and objectives, and management processes.

SC430.2.2. Be designed and used as tools for executing management and supervisory responsibilities; communicating and clarifying organizational goals and objectives to employees; involving employees in improving organizational effectiveness and in accomplishing organizational missions and goals; and assessing employee, team, and organizational effectiveness and performance.

SC430.2.3. Identify employee, team, and managerial accountability for the accomplishment of individual, team and organizational goals and objectives.

SC430.2.4. Provide for planning, monitoring, developing, and evaluating individual, team, and organizational performance; use appropriate measures of performance to recognize and reward employees; and use the results of performance appraisal as a basis for appropriate personnel actions.

SC430.2.5. Support and be consistent with merit system principles in section 2301 of 5 U.S.C. (reference (b)).

SC430.2.6. Provide for involving employees and their representatives in program development, implementation, and application.

SC430.2.7. Provide appropriate training to those involved in the program.

SC430.2.8. Encourage employees to take responsibility to continuously improve, support team endeavors, develop professionally, and perform at their full potential.

SC430.2.9. Ensure the incorporation in performance evaluations of matters required by other law, regulation, and DoD policy including the establishment of a critical element and related performance standards concerning EEO for all supervisors, managers, and other employees with EEO responsibilities as required by paragraph 5.2.6. of DoD Directive 1440.1 (reference d).

SC430.3. PERFORMANCE APPRAISAL

SC430.3.1. Appendix 1 of this Subchapter establishes the DoD Performance Appraisal System. It has been approved by the Office of Personnel Management (OPM) (See Appendix 2).

SC430.3.2. The DoD Performance Appraisal System governs all performance appraisal programs for covered employees within the Department of Defense. It establishes performance appraisal program requirements. Performance appraisal programs established or revised after the effective date of the DoD Performance Appraisal System shall comply with the System, other applicable DoD policies and procedures, 5 U.S.C. and 5 CFR (references (b) and (c)), and other applicable laws and regulations.

SC430.4. AWARDS

Awards are tools to acknowledge, motivate, and reward significant individual, team, or organizational achievements or contributions and shall be an integral part of performance management within the Department of Defense. Awards shall be granted consistent with EEO and AEP policies and free from discrimination regardless of race, color, religion, age, sex, national origin, or disability. Subchapter [451](#) of this Manual implements DoD policies, procedures, and requirements governing awards programs within the Department of Defense.

SC430.5. RESPONSIBILITIES

SC430.5.1. The Deputy Assistant Secretary of Defense (Civilian Personnel Policy) shall issue DoD performance management policies and procedures; establish the DoD Performance Appraisal System; and, develop, or assist in the development of, performance management programs and monitor their implementation and effectiveness.

SC430.5.2. The Heads of the DoD Components shall ensure the development, implementation, application and evaluation of performance management programs within their Components and shall ensure that programs established or revised after the effective date of the DoD Performance Appraisal System comply with the System and references (b) through (d).

SC430.5.3. Managers, Supervisors, Team Leaders (where applicable) and Employees shall be separately and collectively responsible for individual, team, and organizational performance and for creating a work culture and environment that promotes a high-performance, high-involvement organization.

SC430.AP1. APPENDIX 1 TO SUBCHAPTER 430

DoD PERFORMANCE APPRAISAL SYSTEM

SC430.AP1.1. PURPOSE.

This Appendix establishes the DoD Performance Appraisal System. The System governs all performance appraisal programs within the Department of Defense established or revised after the effective date of the system. Such programs shall fully comply with the System, other applicable DoD policies and procedures, 5 U.S.C. (reference (b)) and 5 CFR 430, 451 and 531 (reference (c)), and other applicable laws and regulations.

SC430.AP1.2. COVERAGE.

SC430.AP1.2.1. DoD Component Coverage. The DoD Performance Appraisal System applies to all DoD Components except the National Security Agency (NSA), the National Imagery and Mapping Agency (NIMA), and the Defense Intelligence Agency (DIA) (see section 4301(1)(ii) of reference (b)) and other DoD organizations excluded from coverage by other applicable law.

SC430.AP1.2.2. Employee Coverage. As provided for by section 4301(2) of reference (b), the DoD Performance Appraisal System covers appropriated fund employees employed by the Department of Defense (including senior-level and scientific and professional employees paid under section 5376 of reference (b)) except for the following:

SC430.AP1.2.2.1. Employees outside the United States who are paid in accordance with prevailing rates for the local nationals in that area;

SC430.AP1.2.2.2. Individuals in the Senior Executive Service;

SC430.AP1.2.2.3. Individuals appointed by the President;

SC430.AP1.2.2.4. Individuals occupying excepted service positions for which employment is not reasonably expected to exceed the minimum period established in performance appraisal programs in a consecutive 12-month period;

SC430.AP1.2.2.5. Individuals who:

SC430.AP1.2.2.5.1. Are serving in positions under a temporary appointment for less than one year,

SC430.AP1.2.2.5.2. Agree to serve without a performance evaluation, and

SC430.AP1.2.2.5.3. Will not be considered for a reappointment or for an increase in pay based in whole or in part on performance;

SC430.AP1.2.2.6. Civil Service Mariners of the Military Sealift Command, Department of the Navy;

SC430.AP1.2.2.7. U.S. citizen excepted service employees of the North Atlantic Treaty Organization (NATO) and Supreme Headquarters Allied Powers Europe (SHAPE) international staff; and

SC430.AP1.2.2.8. Individuals excluded from coverage under other applicable law.

SC430.AP1.3. DEFINITIONS

SC430.AP1.3.1. Additional Performance Element. A dimension or aspect of individual, team, or organizational performance that is not a critical or non-critical element. Such elements are not used in assigning a summary level but, like critical and non-critical elements, are useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.

SC430.AP1.3.2. Appraisal. The process under which performance is reviewed and evaluated.

SC430.AP1.3.3. Appraisal Period. The established period of time for which performance will be reviewed and a rating of record will be prepared.

SC430.AP1.3.4. Appraisal Program. The specific procedures and requirements for appraisal established within the DoD Components under the policies and parameters of the DoD Performance Appraisal System.

SC430.AP1.3.5. Appraisal System. DoD-wide policies and parameters governing performance appraisal programs under 5 U.S.C. 43, Subchapter 1 (reference (b)), and 5 CFR 430 (reference (c)).

SC430.AP1.3.6. Critical Element. A work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable.

SC430.AP1.3.7. Non-Critical Element. A dimension or aspect of individual, team, or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.

SC430.AP1.3.8. Performance. The accomplishment of work assignments or responsibilities.

SC430.AP1.3.9. Performance Plan. All of the written, or otherwise recorded, performance elements that set forth expected performance. A performance plan must include all critical and non-critical elements and their performance standards. It also may include additional performance elements and their performance standards, if any.

SC430.AP1.3.10. Performance Rating. The written, or otherwise recorded, appraisal of performance compared to the performance standard(s) for each critical element and non-critical element on which there has been an opportunity to perform for the minimum period. A performance rating may include the assignment of a summary level as specified in section 430.208(d) of 5 CFR (reference (c)).

SC430.AP1.3.11. Performance Standard. The management-approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness, and manner of performance.

SC430.AP1.3.12. Progress Review. Communicating with the employee about performance compared to the performance standards of critical and non-critical elements.

SC430.AP1.3.13. Rating of Record. The performance rating prepared at the end of an appraisal period for performance over the entire period and the assignment of a summary level as specified in section 430.208(d) of reference (c). This constitutes the official rating of record referenced in Part 430 of reference (c).

SC430.AP1.4. PERFORMANCE APPRAISAL PROGRAM REQUIREMENTS

SC430.AP1.4.1. General. Each DoD Component shall ensure continuation of current, or establishment of one or more, performance appraisal programs as provided under section SC430.AP1.5. of this Subchapter. New or revised performance appraisal programs shall:

SC430.AP1.4.1.1. Comply with the DoD Performance Appraisal System;

SC430.AP1.4.1.2. State they comply with the System;

SC430.AP1.4.1.3. Indicate their effective date;

SC430.AP1.4.1.4. Specify which employees are covered by the program, the summary level pattern chosen, and the appraisal period;

SC430.AP1.4.1.5. Specify the procedures and requirements for planning, monitoring, developing, evaluating, and rewarding performance; and

SC430.AP1.4.1.6. Contain a savings provision comparable to that in section 430.201(b) of reference (c).

No employee may be concurrently covered by more than one performance appraisal program.

SC430.AP1.4.2. Performance Plans

SC430.AP1.4.2.1. Employees must have approved written, or otherwise recorded, performance plans based on work assignments and responsibilities. The plans shall cover the official appraisal period.

SC430.AP1.4.2.2. Performance plans shall be provided to employees at the beginning of each appraisal period (normally within 30 days). They shall include all critical and, where used, non-critical elements and related performance standards.

They may also include additional performance elements and related performance standards, if any. Performance plans may contain any combination of critical, non-critical, and additional elements and related performance standards. However, each performance plan shall have at least one critical element that addresses individual performance.

SC430.AP1.4.3. Employee Involvement. Programs shall provide for employee participation in program development, implementation, and application. For employees who are represented by a labor organization that is accorded exclusive recognition under 5 U.S.C. 71 (reference (b)), employee involvement shall take place consistent with the requirements of that chapter. For other employees, organizations shall determine the method of employee involvement consistent with applicable law and regulation. Programs should encourage employee participation in establishing performance standards.

SC430.AP1.4.4. Appraisal Periods

SC430.AP1.4.4.1. Performance appraisal programs shall establish an official appraisal period during which performance shall be monitored and for which a rating of record shall be prepared. The programs shall generally designate appraisal periods so that employees shall be provided a rating of record on an annual basis. When employee work assignments and responsibilities warrant or where performance management objectives can be achieved more effectively, longer appraisal periods may be granted.

SC430.AP1.4.4.2. A rating of record shall be given to each employee as soon as practicable after the end of the appraisal period. When a rating of record cannot be prepared at the time specified in the program, the appraisal period shall be extended until the conditions necessary to meet the minimum period of performance have been met. Thereafter, a rating of record shall be prepared as soon as practicable.

SC430.AP1.4.5. Elements. Each performance appraisal program shall provide for a minimum of two rating levels for each critical and non-critical element. For critical elements, rating levels shall include rating levels at the "Fully Successful" or equivalent level and at the "Unacceptable" level.

SC430.AP1.4.6. Performance Standards. Performance standards shall be established at the "Fully Successful" or equivalent level for all critical elements and also may be established at other levels. For non-critical elements, performance standards shall be established at whatever level is appropriate. The absence of an

established performance standard at a level specified in the program shall not prevent a determination that performance is at that level.

SC430.AP1.4.7. Minimum Period of Performance. Performance appraisal programs shall contain at least a 60-day minimum period of performance that must be completed before a performance rating may be prepared.

SC430.AP1.4.8. Performance Discussions. Performance appraisal programs shall provide for communicating performance plans (e.g., elements, performance expectations and any goals and objectives) to employees. They shall also include the methods for appraising each critical and non-critical element during the appraisal period against the employee's performance standards. The appraisal methods shall include, but not be limited to, one or more progress reviews during each appraisal period. To the maximum extent possible, progress reviews shall be informative and developmental in nature and shall focus on how to improve future performance.

SC430.AP1.4.9. Summary Level

SC430.AP1.4.9.1. Each performance appraisal program shall provide a method for deriving and assigning a summary level from one, and only one, of the following patterns based on appraisal of performance on critical elements and, where applicable, non-critical elements:

SUMMARY LEVEL

PATTERN	1	2	3	4	5
A	X		X		
B	X		X		X
C	X		X	X	
D	X	X	X		
E	X		X	X	X
F	X	X	X		X
G	X	X	X	X	
H	X	X	X	X	X

Under the above patterns, Level 1 through Level 5 are ordered categories, with Level 1 as the lowest and Level 5 as the highest: Level 1 is "Unacceptable"; Level 3 is "Fully Successful" or equivalent; and Level 5 is "Outstanding" or equivalent. The term "Outstanding" shall be used only to describe a Level 5 summary level.

SC430.AP1.4.9.2. A summary level must be assigned when a performance rating is prepared as part of a rating of record. Assigning a summary level at other times is optional.

SC430.AP1.4.10. Distribution of Ratings. Performance appraisal programs shall not establish a forced distribution of summary ratings. This does not prevent making other distinctions among employees or groups of employees based on performance for purposes other than assigning a summary level (e.g., for award determinations and promotion decisions).

SC430.AP1.4.11. Details, Transfers, and Other Special Circumstances. Performance appraisal programs shall establish criteria and procedures to address the performance of employees who are on detail, who are transferred, and for other special circumstances established under the program. In situations involving long-term training, managers and supervisors may develop a performance plan relating to the training. The plan could include achievement of specific training objectives. These objectives may be determined to be critical or non-critical.

SC430.AP1.4.12. Transfer of Rating. Performance appraisal programs shall establish criteria and procedures to address the performance of employees who are transferred. These criteria and procedures shall provide for a transfer of the employee's most recent ratings of record, and any subsequent performance ratings, when an employee transfers. The DoD Components or activities shall take into consideration transferred ratings covering an employee's performance within their current appraisal period when deriving the next rating of record.

SC430.AP1.4.13. Related Personnel Actions. Performance appraisal programs shall provide for performance appraisals to be used as a basis for taking appropriate personnel actions in accordance with applicable provisions of law and regulation.

SC430.AP1.4.14. Below "Fully Successful" Performance

SC430.AP1.4.14.1. Programs may provide that managers and supervisors provide assistance to employees whose performance is determined to be below "Fully Successful" or equivalent but above "Unacceptable" at any time during the appraisal period.

SC430.AP1.4.14.2. Performance appraisal programs shall require that managers and supervisors provide assistance to employees to improve unacceptable

performance. Assistance may be provided at any time during the appraisal period that performance is determined to be "Unacceptable" in one or more critical elements. Programs shall also provide for reassigning, reducing in grade, or removing employees who continue to have unacceptable performance but only after such employees have an opportunity to demonstrate acceptable performance. Programs shall also provide for review and approval of "Unacceptable" ratings of record by a higher level management official.

SC430.AP1.4.15. Veterans' Ratings. Performance appraisal programs shall provide that the rating of record or performance rating for a disabled veteran shall not be lowered because the veteran has been absent from work to seek medical treatment as provided in 5 CFR 430.207(f) (reference (c)).

SC430.AP1.5. IMPLEMENTATION

SC430.AP1.5.1. Under section 430.201(b) of reference (c) and this Subchapter, current DoD Component performance management plans approved by OPM continue in effect as appraisal programs under the DoD Performance Appraisal System (see subsection SC430.AP1.4.1., above). Actions initiated against unacceptable employees under a performance management plan in existence prior to the effective date of the DoD Performance Appraisal System shall continue to be processed consistent with that pre-established plan.

SC430.AP1.5.2. The DoD Components or activities shall provide the DASD(CPP) a copy of new or revised performance appraisal programs.

SC430.AP2. APPENDIX 2 TO SUBCHAPTER 430

OFFICE OF PERSONNEL MANAGEMENT APPROVAL
OF THE DoD PERFORMANCE APPRAISAL SYSTEM



United States
Office of
Personnel Management

Washington, D.C. 20415

In Reply Refer To:

Your Reference:

JAN 31 1996

Diane M. Disney
Deputy Assistant Secretary of Defense
(Civilian Personnel Policy)
4000 Defense Pentagon
Washington, D.C. 20301-4000

Dear Ms. Disney:

This letter is in response to your request of January 26, 1996, for approval of a new performance appraisal system for the Department of Defense. The new system will apply to all non-SES Department of Defense employees other than those excluded by law, OPM regulation, and those excepted service positions excluded by OPM at the request of the Department of Defense. We have reviewed the system and determined that it meets the requirement of 5 CFR part 430 subpart B. The system is approved.

Please send us, for approval any future changes that would impact legal or regulatory requirements as they apply to the appraisal system.

Sincerely,

A handwritten signature in cursive script that reads "Doris Hausser".

Doris Hausser, Chief
Performance Management and
Incentive Awards Division
Office of Labor Relations
Workforce Performance